YOUR GUIDE TO SINGLE TOUCH PAYROLL

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From 1 July 2019, the ATO require you to be reporting your payroll information through Single Touch Payroll. But what is Single Touch Payroll? What does it mean for your business? How can you ensure you stay compliant?

This handy guide will explain all you need to know and what you'll need to do to meet your ATO obligations.

What is STP?

Single Touch Payroll (STP) is an ATO initiative and it requires you to report PAYG withholding, superannuation, salaries and wages each time you pay your¬¬ employees.

For every small business with up to 19 employees, it is now a requirement.

How it works

STP sends tax and super information direct from your payroll or accounting software to the ATO as the payroll is being run.

You will run payroll as normal, in line with your current pay cycle. STP compliant software will automatically send a report to the ATO containing all of the information they need.

Your payment due date for PAYG withholding and super contributions will not change. However, you can choose to pay earlier.

Then, come the end of the financial year, the ATO will already have most of the details they need about payments you've made to your employees. They'll then mark the payroll information as finalised on the employees' myGov record and ATO agent portal.

Simple.

Benefits of STP

As well as keeping you compliant and on the right side of the ATO, STP delivers some other great benefits for your business:

+ **Simple reporting –** obligations reported as employees are paid. No need for end of year summary

+ **Save time –** report directly from their software

+ **Easy compliance –** reduce the burden of tax obligations by incorporating them into the payment process

+ **Accuracy –** make it easier to get employees pay right

+ **Lower compliance costs –** by identifying and addressing issues earlier

+ **Better access to information –** employees can view their tax position at any time

What does STP mean for your employees?

Once you're on board with STP, your employees will notice some changes, including:

+ Ability to see year-to-date tax and super information in myGov

+ Payment summaries also available in myGov

+ The ability to check if super has been paid

+ Allow their tax agent to access their STP information

For more information on what STP means for your employees, visit **ato.gov.au** and search 'Single Touch Payroll for Employees'.

How do you get ready?

Talk to your Accountant or Bookkeeper to ensure that you are STP compliant before the 1 July 2019 deadline.

Depending on your current payroll process or software they may need to educate you on how STP works in your software or help you transition to an STP compliant solution.

If you aren't currently using STP compliant payroll software, don't panic. MYOB has a range of solutions that are available right now which your accountant or bookkeeper will be happy to discuss.